3500 Deer Creek Road, Palo Alto CA 94304
P 650 681 5100 F 650 681 5101

Dear Chairman Canales and members of the House Committee on Transportation,

On behalf of Tesla, Inc., this letter responds to the Texas House Committee on Transportation's request for written submissions; specifically, with respect to Charge 3, which calls on the Committee to "[s]tudy the technology and safety aspects of autonomous and semi-autonomous vehicles" and "[m]ake recommendations for optimizing state policy." We applaud the Committee's attention to this important topic and appreciate the opportunity to share our views.

By way of background, Tesla is the world's leading manufacturer of fully electric vehicles ("EVs"). The Company maintains primary research, development, and manufacturing facilities in California and Nevada, and we are excited to expand production to Austin, Texas next year.

Tesla has spearheaded consumer interest in EVs, and with each model, we have proven that modern EVs can deliver better performance, technology, safety, and style, all in a completely emissions-free package. In addition to designing our vehicles to ensure that an all-electric architecture and powertrain design will enhance passenger safety in the event of a crash, we also design our vehicles to allow for continual improvements via remote, over-the-air ("OTA") software updates. Tesla now sells all its vehicles with the sensors and computational hardware necessary for full self-driving capability. We will enable self-driving functionalities via OTA updates as we validate the features, confirm regulatory compliance, and receive any necessary government approvals.

Given the broad nature of Charge 3, we provide the following general comments. As an initial matter, we encourage the Committee to consider the complex and rapidly evolving nature of this technology, which makes it difficult to accurately predict the path that will result in the greatest safety benefits. Specifically, Tesla recommends that:

- Efforts to study and make policy recommendations should not be limited to testing or pilot programs and should not have the effect of preventing full deployment, especially for vehicles that otherwise conform with Federal Motor Vehicle Safety Standards.
- Efforts to study and make policy recommendations should be focused on Society of Automotive Engineers ("SAE") levels of automation 4 and 5 and should not limit or otherwise preclude advanced driver assistance features, including SAE level 3 systems, where the driver remains in the loop.

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- Efforts to study and make policy recommendations should apply equally to light-duty and commercial vehicles. In our view, laws that safely and sufficiently regulate light-duty autonomous vehicles and their drivers can do the same for commercial vehicles and their drivers.
- Efforts to study and make policy recommendations should respect existing federal and state authorities. For example, performance standards are within the sole federal authority of the National Highway Traffic Safety Administration and states should not attempt to regulate these issues.
- Efforts to study and make policy recommendations should be mindful of the burdens imposed. Onerous application, permitting, or registration processes are unduly burdensome in practice and may stifle innovation in the State.
- Efforts to study and make policy recommendations should allow Texas to regulate with one voice by preempting cities and localities from imposing additional burdens or inconsistencies to deployment.
- Efforts to study and make policy recommendations should not include allocation of liability or access to courts, as these issues are not impacted by the autonomous nature of a vehicle.

We support your efforts and welcome additional collaboration to alleviate public concerns and accelerate Texas toward a safer driving future. If you have any questions or comments regarding this response, please feel free to contact me directly.

Sincerely,

Karen Kolb Steakley
Senior Manager, Public Policy & Business Development
ksteakley@tesla.com